

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, THE
EMPLOYEES RETIREMENT SYSTEM OF THE
GOVERNMENT OF THE COMMONWEALTH OF
PUERTO RICO, AND THE PUERTO RICO PUBLIC
BUILDINGS AUTHORITY,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**MOTION TO INFORM OF
FINANCIAL GUARANTY INSURANCE COMPANY
IN CONNECTION WITH FINANCIAL GUARANTY INSURANCE
COMPANY'S MOTION (I) ASSERTING THE RIGHT TO VOTE CERTAIN
CLAIMS PURSUANT TO SECTION 301 OF PROMESA AND (II) SEEKING
TEMPORARY ALLOWANCE OF THE CLAWBACK CLAIM FOR VOTING
PURPOSES PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 3018**

To the Honorable United States District Court Judge Laura Taylor Swain:

Financial Guaranty Insurance Company (“FGIC”) submits this motion to inform in connection with *Financial Guaranty Insurance Company’s Motion (I) Asserting the Right to Vote*

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283- LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (Bankruptcy Case No. 17- BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5233-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Certain Claims Pursuant to Section 301 of PROMESA and (II) Seeking Temporary Allowance of the Clawback Claim for Voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018 [Case No. 17 BK 3283-LTS, ECF No. 17315] (the “**3018 Motion**”) and respectfully states as follows:

1. FGIC filed the 3018 Motion on July 13, 2021, to assert its voting rights as a “holder of a claim or interest” (as such term is defined in section 301(c)(3)(B) of the Puerto Rico Oversight, Management, and Economic Stability Act²) with respect to approximately (i) \$280,075,000 in aggregate principal amount of outstanding of Public Improvement Bonds and Public Improvement Refunding Bonds issued by the Commonwealth of Puerto Rico (the “**Commonwealth**”), (ii) \$2,303,554 in aggregate principal amount of Public Buildings Authority Bonds issued by the Commonwealth, (iii) \$446,905,000 in aggregate principal amount of Transportation Revenue Bonds, Transportation Revenue Refunding Bonds, and Subordinated Transportation Revenue Bonds issued by the Puerto Rico Highway and Transportation Authority, (iv) \$688,125,000 in aggregate principal amount of Special Tax Revenue Bonds issued by the Puerto Rico Infrastructure Financing Authority, and (v) \$97,075,000 in aggregate principal amount of Hotel Occupancy Tax Revenue Bonds issued by the Puerto Rico Convention Center District Authority (collectively, the “**FGIC Insured Bonds**” and the claims arising thereunder, the “**FGIC Insured Bond Claims**”), each as more fully described in the 3018 Motion. As part of the 3018 Motion, FGIC attached a chart as Schedule 1 to the proposed order showing FGIC’s voting rights and percentage ownership by CUSIP number. As noted in the *Motion to Inform of the Ad Hoc Group of FGIC Insured Noteholders in Connection with Financial Guaranty Insurance Company’s Motion*

² The Puerto Rico Oversight, Management, and Economic Stability Act is codified as 48 U.S.C. §§ 2101-2241.

*(I) Asserting the Right to Vote Certain Claims Pursuant to Section 301 of PROMESA and
(II) Seeking Temporary Allowance of the Clawback Claim for Voting Purposes Pursuant to
Federal Rule of Bankruptcy Procedure 3018* [Case No. 17 BK 3283-LTS, ECF No. 17424] certain
of the information regarding FGIC’s ownership of CUSIPs 74514LJU2, 74514LNF0, and
74514LNG8 was incorrect. FGIC has communicated with the Ad Hoc Group of FGIC Noteholders
and acknowledged the inadvertent error. Accordingly, FGIC attaches hereto an updated
Schedule 1, correcting the ownership percentages for CUSIPs 74514LJU2, 74514LNF0, and
74514LNG8.

2. Additionally, since the filing of the 3018 Motion, FGIC has reached a settlement
with the Financial Oversight and Management Board for Puerto Rico (the “**Oversight Board**”) as
representative of the Commonwealth, the Employees Retirement System of the Government of the
Commonwealth of Puerto Rico, and the Puerto Rico Public Buildings Authority with respect to
the FGIC Insured Bond Claims. The settlement includes an agreement with respect to FGIC’s
right to vote the FGIC Insured Bond Claims as reflected on **Schedule 1** hereto, resolving the issues
asserted in the 3018 Motion. FGIC’s right to vote the FGIC Insured Bond Claims was also
included as Schedule 9 to the *Order (I) Approving Disclosure Statement, (II) Fixing Voting Record
Date, (III) Approving Confirmation Hearing Notice and Confirmation Schedule, (IV) Approving
Solicitation Packages and Distributions Procedures, (V) Approving Forms of Ballots, and Voting
and Election Procedure, (VI) Fixing Voting, Election, and Confirmation Deadlines, and
(VIII) Approving Voting Tabulation Procedures* [Case No. 17 BK 3283-LTS, ECF No. 17639]
entered by the Court on August 2, 2021.

Respectfully submitted,

REXACH & PICÓ, CSP

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*Attorneys for Financial Guaranty Insurance
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CERTIFICATE OF SERVICE

I hereby certify that I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will notify case participants.

Dated: August 3, 2021.

By: /s/ Martin A. Sosland
Martin A. Sosland

*Attorney for Financial Guaranty Insurance
Company*

SCHEDULE 1

Voting Rights Chart

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Bonds	Voting Class	Source of FGIC Voting Rights	Principal Amount Insured	Principal Amount of Bonds Owned By FGIC	Percentage of Bonds Owned by FGIC	Percentage of Bonds FGIC Votes
General Obligation Bonds						
2002 GO Bonds¹	Class 20	Subrogation				
• CUSIP 74514LFW2			\$3,985,000.00	\$0.00	0.00%	0%
2002 GO Refunding Bonds	Class 20	Direct Ownership, Assignment, and Contractual Subrogation				
• CUSIP 7451453N0			\$2,000,000.00	\$984,350.00	49.22%	49.22%
• CUSIP 7451455N8			\$25,000,000.00	\$215,000.00	0.86%	0.86%
2003 GO Bonds	Class 20	Direct Ownership, Assignment, and Contractual Subrogation				
• CUSIP 745145Q70			\$13,970,000.00	\$6,216,650.00	44.50%	44.50%
• CUSIP 745145Q88			\$14,735,000.00	\$6,676,400.00	45.31%	45.31%
• CUSIP 745145Q96			\$15,545,000.00	\$7,117,325.00	45.79%	45.79%
• CUSIP 745145R20			\$16,400,000.00	\$7,844,675.00	47.83%	47.83%

¹ Capitalized terms used but not otherwise defined in this table shall have the meaning ascribed in *Financial Guaranty Insurance Company's Motion (I) Asserting the Right to Vote Certain Claims Pursuant to Section 301 of PROMESA and (II) Seeking Temporary Allowance of the Clawback Claim for Voting Purposes Pursuant to Federal Rule of Bankruptcy Procedure 3018* [Case No. 17 BK 3283-LTS, ECF No. 17315].

Bonds	Voting Class	Source of FGIC Voting Rights	Principal Amount Insured	Principal Amount of Bonds Owned By FGIC	Percentage of Bonds Owned by FGIC	Percentage of Bonds FGIC Votes
• CUSIP 745145R38			\$17,305,000.00	\$8,308,450.00	48.01%	48.01%
• CUSIP 745145R46			\$18,255,000.00	\$10,049,325.00	55.05%	55.05%
• CUSIP 745145R53			\$19,260,000.00	\$1,900,000.00	9.87%	9.87%
2003 GO Refunding Bonds	Class 20	Direct Ownership, Assignment, and Contractual Subrogation				
• CUSIP 745145T77			\$13,515,000.00	\$6,044,700.00	44.73%	44.73%
• CUSIP 745145T85			\$14,255,000.00	\$6,451,700.00	45.26%	45.26%
2006 GO Bonds	Class 20	PROMESA § 301(c)(3)(B), Direct Ownership, Assignment, and Contractual Subrogation				
• CUSIP 74514LJU2			\$32,815,000.00	\$21,908,695.00	66.76%	100%
2007 GO Refunding Bonds	Class 20	PROMESA § 301(c)(3)(B), Direct Ownership, Assignment, and Contractual Subrogation				
• CUSIP 74514LNFO			\$36,205,000.00	\$23,395,600.00	64.62%	100%
• CUSIP 74514LNG8			\$36,830,000.00	\$8,580,000.00	23.3%	100%

Bonds	Voting Class	Source of FGIC Voting Rights	Principal Amount Insured	Principal Amount of Bonds Owned By FGIC	Percentage of Bonds Owned by FGIC	Percentage of Bonds FGIC Votes
Public Buildings Authority Bonds						
PBA Refunding Bonds	Classes 5 and 27	Direct Ownership, Assignment, and Contractual Subrogation				
• CUSIP 745235TG6			\$2,303,553.55	\$1,028,338.58	44.64%	44.64%
Puerto Rico Highway and Transportation Authority Bonds						
Series G TRBs	Class 59	PROMESA § 301(c)(3)(B), Direct Ownership, Assignment, and Contractual Subrogation				
• CUSIP 7451902Q0			\$5,750,000.00	\$2,600,375.00	45.22%	100%
• CUSIP 7451902R8			\$255,000.00	\$124,575.00	48.85%	100%
• CUSIP 745190KC1			\$11,115,000.00	\$5,990,000.00	53.89%	100%

Bonds	Voting Class	Source of FGIC Voting Rights	Principal Amount Insured	Principal Amount of Bonds Owned By FGIC	Percentage of Bonds Owned by FGIC	Percentage of Bonds FGIC Votes
Series H TRBs	Class 59	PROMESA § 301(c)(3)(B), Direct Ownership, Assignment, and Contractual Subrogation				
• CUSIP 7451902W7			\$135,000	\$65,625.00	48.61%	100%
• CUSIP 745190KX5			\$755,000	\$366,500.00	48.54%	100%
• CUSIP 745190KY3			\$790,000	\$351,550.00	44.50%	100%
• CUSIP 745190KZ0			\$825,000	\$419,850.00	50.89%	100%
Subordinated TRBs	Class 59	PROMESA § 301(c)(3)(B), Direct Ownership, Assignment, and Contractual Subrogation				
• CUSIP 745190MF2			\$14,700,000	\$6,635,850.00	45.14%	100%
• CUSIP 745190MG0			\$500,000	\$255,800.00	51.16%	100%
• CUSIP 745190MH8			\$15,000,000	\$6,691,650.00	44.61%	100%
• CUSIP 745190MJ4			\$110,000	\$48,950.00	44.50%	100%
• CUSIP 745190NB0			\$6,940,000	\$3,088,300.00	44.50%	100%
• CUSIP 745190NA2			\$11,000,000	\$5,352,875.00	48.66%	100%

Bonds	Voting Class	Source of FGIC Voting Rights	Principal Amount Insured	Principal Amount of Bonds Owned By FGIC	Percentage of Bonds Owned by FGIC	Percentage of Bonds FGIC Votes
• CUSIP 745190MN5			\$16,320,000	\$7,451,100.00	45.66%	100%
Series I TRBs	Class 59	PROMESA § 301(c)(3)(B), Direct Ownership, Assignment, and Contractual Subrogation				
• CUSIP 745190PF9			\$480,000	\$213,600.00	44.50%	100%
• CUSIP 745190PG7			\$500,000	\$222,500.00	44.50%	100%
• CUSIP 745190PH5			\$520,000	\$231,400.00	44.50%	100%
• CUSIP 745190PJ1			\$540,000	\$254,175.00	47.07%	100%
• CUSIP 745190PK8			\$565,000	\$315,250.00	55.80%	100%
• CUSIP 745190Z0			\$12,125,000	\$1,945,000.00	16.04%	100%
• CUSIP 745190PM4			\$14,325,000	\$650,000.00	4.54%	100%
• CUSIP 745190PN2			\$15,040,000	\$5,555,000.00	36.93%	100%
• CUSIP 745190PP7			\$15,790,000	\$3,155,000.00	19.98%	100%
• CUSIP 745190PQ5			\$16,585,000	\$1,028,000.00	6.20%	100%

Bonds	Voting Class	Source of FGIC Voting Rights	Principal Amount Insured	Principal Amount of Bonds Owned By FGIC	Percentage of Bonds Owned by FGIC	Percentage of Bonds FGIC Votes
Series J TRBs	Class 59	PROMESA § 301(c)(3)(B), Direct Ownership, Assignment, and Contractual Subrogation				
• CUSIP 745190QH4			\$6,995,000	\$3,199,355.00	45.74%	100%
• CUSIP 7451903M8			\$5,660,000	\$3,237,425.00	57.20%	100%
Series L TRBs	Class 59	PROMESA § 301(c)(3)(B), Direct Ownership, Assignment, and Contractual Subrogation				
• CUSIP 745190UG1			\$19,875,000	\$8,844,375.00	44.50%	100%
• CUSIP 745190UH9			\$7,870,000	\$460,000.00	5.84%	100%
• CUSIP 745190UM8			\$2,525,000	\$65,000.00	2.57%	100%
Series N TRBs	Class 59	PROMESA § 301(c)(3)(B), Direct Ownership, Assignment, and Contractual Subrogation				
• CUSIP 745190ZT8			\$243,315,000	\$4,245,000.00	1.74%	100%

Bonds	Voting Class	Source of FGIC Voting Rights	Principal Amount Insured	Principal Amount of Bonds Owned By FGIC	Percentage of Bonds Owned by FGIC	Percentage of Bonds FGIC Votes
Puerto Rico Infrastructure Financing Authority Bonds						
Series 2005A STRBs	Class 61	PROMESA § 301(c)(3)(B), Direct Ownership, Assignment, and Contractual Subrogation				
• CUSIP 745220DW0			\$4,245,000	\$1,889,025	44.50%	100%
• CUSIP 745220DX8			\$4,415,000	\$2,047,925	46.39%	100%
• CUSIP 745220DY6			\$4,600,000	\$2,047,000	44.50%	100%
• CUSIP 745220DZ3			\$4,780,000	\$2,138,200	44.73%	100%
• CUSIP 745220EA7			\$4,970,000	\$2,211,650	44.50%	100%
• CUSIP 745220EB5			\$5,240,000	\$3,552,800	67.80%	100%
• CUSIP 745220EC3			\$5,525,000	\$0	0%	100%
• CUSIP 745220ED1			\$5,835,000	\$0	0%	100%
• CUSIP 745220EE9			\$6,155,000	\$1,870,000	30.38%	100%
• CUSIP 745220EF6			\$6,495,000	\$1,710,000	26.33%	100%
• CUSIP 745220EG4			\$6,850,000	\$1,917,000	27.99%	100%
• CUSIP 745220EH2			\$7,230,000	\$2,810,000	38.87%	100%

Bonds	Voting Class	Source of FGIC Voting Rights	Principal Amount Insured	Principal Amount of Bonds Owned By FGIC	Percentage of Bonds Owned by FGIC	Percentage of Bonds FGIC Votes
• CUSIP 745220EJ8			\$7,625,000	\$1,970,000	25.84%	100%
• CUSIP 745220EL3			\$70,305,000	\$3,422,000	4.87%	100%
• CUSIP 745220EM1			\$70,305,000	\$780,000	1.11%	100%
• CUSIP 745220EN9			\$70,305,000	\$30,758,000	43.75%	100%
• CUSIP 745220EP4			\$70,305,000	\$12,642,000	17.98%	100%
• CUSIP 745220EU3			\$86,000,000	\$9,311,000	10.83%	100%
• CUSIP 745220EX7			\$83,355,000	\$5,340,000	6.41%	100%
Series 2005C STRBs	Class 59	PROMESA § 301(c)(3)(B), Direct Ownership, Assignment, and Contractual Subrogation				
• CUSIP 745220FJ7			\$37,670,000	\$17,422,490	46.25%	100%
• CUSIP 745220FK4			\$39,745,000	\$23,007,865	57.89%	100%
• CUSIP 745220FL2			\$41,930,000	\$27,321,845	65.16%	100%
• CUSIP 745220FM0			\$44,240,000	\$12,283,000	27.76%	100%

Bonds	Voting Class	Source of FGIC Voting Rights	Principal Amount Insured	Principal Amount of Bonds Owned By FGIC	Percentage of Bonds Owned by FGIC	Percentage of Bonds FGIC Votes
Puerto Rico Convention Center District Authority Bonds						
Series A HOTRBs	Class 60	PROMESA § 301(c)(3)(B), Direct Ownership, Assignment, and Contractual Subrogation				
• CUSIP 745266AT3			\$3,330,000	\$2,003,550.00	60.17%	100%
• CUSIP 745266AU0			\$10,990,000	\$5,867,350.00	53.39%	100%
• CUSIP 745266AV8			\$15,005,000	\$2,015,000.00	13.43%	100%
• CUSIP 745266AW6			\$15,720,000	\$1,395,000.00	8.87%	100%
• CUSIP 745266AX4			\$16,505,000	\$1,330,000.00	8.06%	100%
• CUSIP 745266AY2			\$17,330,000	\$310,000.00	1.79%	100%
• CUSIP 745266AZ9			\$4,255,000	\$80,000.00	1.88%	100%
• CUSIP 745266BA3			\$13,940,000	\$815,000.00	5.85%	100%